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Federal Deposit Insurance Corporation

Semiannual Regulatory Agenda

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INFORMATION
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FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)

FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR Ch. III

AGENCY: Federal Deposit Insurance Corporation.

ACTION: Semiannual regulatory agenda.

SUMMARY: The Federal Deposit Insurance Corporation (FDIC) is hereby publishing items for the Fall 2010 Unified Agenda of Federal Regulatory and Deregulatory Actions. The agenda contains information about FDIC's current and projected rulemakings, existing regulations under review, and completed rulemakings.

FOR FURTHER INFORMATION CONTACT: Persons identified under regulations listed in the Agenda. Unless otherwise noted, the address for all FDIC staff identified in the agenda is Federal Deposit Insurance Corporation, 550 17th Street NW., Washington, DC 20429.

SUPPLEMENTARY INFORMATION: Twice each year, the FDIC publishes an agenda of regulations to inform the public of its regulatory actions and to enhance public participation in the rulemaking process. Publication of the agenda is in accordance with the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*). The FDIC amends its regulations under the general rulemaking authority prescribed in section 9 of the Federal Deposit Insurance Act (12 U.S.C. 1819) and under specific authority granted by the Act and other statutes.

Risk-Based Capital Standards: Market Risk: The OCC, Board and the FDIC proposed revisions to the market risk capital rule to enhance its risk sensitivity and introduce requirements for public disclosure of certain qualitative and quantitative information about the market risk of a bank or bank holding company. The Office of Thrift Supervision (OTS) currently does not apply a market risk capital rule to savings associations and is proposing in this notice a market risk capital rule for savings associations. The proposed rules for each agency are substantively identical.

Deposit Insurance Regulations; Revocable Trust Accounts: The FDIC adopted this rule to simplify and modernize its deposit insurance rules for revocable trust accounts. The FDIC's main goal in implementing these revisions is to make the rules easier to understand and apply, without decreasing coverage currently available for revocable trust account owners. The FDIC believes that the rule will result in faster deposit insurance determinations after depository institution closings and will help improve public confidence in the banking system. The rule eliminates the concept of qualifying beneficiaries. Also, for account owners with revocable trust accounts totaling no more than $500,000, coverage will be determined without regard to the beneficial interest of each beneficiary in the trust.

Under the new rule, a trust account owner with up to five different beneficiaries named in all his or her revocable trust accounts at one FDIC-insured institution will be insured up to $100,000 per beneficiary. Revocable trust account owners with more than $500,000 and more than five different beneficiaries named in the trust(s) will be insured for the greater of either: $500,000 or the aggregate amount of all the beneficiaries' interests in the trust(s), limited to $100,000 per beneficiary.

Guidelines for Furnishers of Information to Consumer Reporting Agencies: The OCC, Board, FDIC, OTS, NCUA, and FTC (collectively, the Agencies) request comment to gather information that would assist the Agencies in considering the development of a possible proposed addition to the furnisher accuracy and integrity guidelines which, along with the accompanying regulations, implement the accuracy and integrity provisions in section 312 of the Fair and Accurate Credit Transactions Act of 2003 (FACT Act) that amended section 623 of the Fair Credit Reporting Act (FCRA). This advance notice of proposed rulemaking (ANPRM) seeks to obtain information that would assist the Agencies in determining whether it would be appropriate to propose an addition to one of the guidelines that would delineate the circumstances under which a furnisher would be expected to provide an account opening date to a consumer reporting agency to promote the integrity of the information. In addition, the Agencies request comment more broadly on whether furnishers should be expected to provide any other types of information to a consumer reporting agency in order to promote integrity.

Community Reinvestment Act Regulations: The OCC, the Board, the FDIC, and the OTS (collectively, the Agencies) issued this notice of proposed rulemaking that would revise our rules implementing the Community Reinvestment Act (CRA). The proposed rule would incorporate into our rules recently adopted statutory language that requires the Agencies, when assessing an institution's record of meeting community credit needs, to consider, as a factor, low-cost education loans provided by the financial institution to low-income borrowers. The proposal also would incorporate into our rules statutory language that allows the Agencies, when assessing an institution's record, to consider as a factor capital investment, loan participation, and other ventures undertaken by non minority-owned and nonwomen-owned financial institutions in cooperation with minority- and women-owned financial institutions and low-income credit unions.

Defining Safe Harbor Protection for Treatment by the FDIC as Conservator or Receiver of Financial Assets Transferred by an Insured Depository Institution: The Federal Deposit Insurance Corporation (FDIC) is amending its regulation codified at 12 CFR section 360.6, Defining Safe Harbor Protection for Treatment By The Federal Deposit Insurance Corporation As Conservator Or Receiver Of Financial Assets Transferred In Connection With A Securitization Or Participation. The amendment adds a new subparagraph (b)(2) in order to continue for a limited time the safe harbor provision of section 360.6(b) for participations or securitizations that would be affected by recent changes to generally accepted accounting principles. In effect, the Rule ''grandfathers'' all participations and securitizations for which financial assets were transferred or, for revolving securitization trusts, for which securities were issued prior to March 31, 2010 so long as those participations or securitizations complied with the preexisting section 360.6 under generally accepted accounting principles in effect prior to November 15, 2009. The transitional safe harbor will apply irrespective of whether or not the participation or securitization satisfies all of the conditions for sale accounting treatment under generally accepted accounting principles as

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effective for reporting periods after November 15, 2009.

Incorporating Executive Compensation Criteria Into the Risk Assessment System: The FDIC is seeking comment on ways that the FDIC's risk-based deposit insurance assessment system (risk-based assessment system) could be changed to account for the risks posed by certain employee compensation programs. Section 7 of the Federal Deposit Insurance Act (FDI Act, 12 U.S.C. 1817) sets forth the risk-based assessment authorities underlying the FDIC's deposit insurance system, and the parameters of the FDIC's rules are set forth at 12 CFR part 327.

Assessments: The FDIC proposes to amend 12 CFR part 327 to revise the assessment system applicable to large institutions to better differentiate institutions by taking a more forward-looking view of risk; to better take into account the losses that the FDIC will incur if an institution fails; to revise the initial base assessment rates for all insured depository institutions; and to make technical and other changes to the rules governing the risk-based assessment system.

Special Reporting, Analysis and Contingent Resolution Plans at Certain Large Insured Depository Institutions: The FDIC is seeking comment on a proposed rule that would require certain identified insured depository institutions (IDIs) that are subsidiaries of large and complex financial parent companies to submit to the FDIC analysis, information, and contingent resolution plans that address and demonstrate the IDl's ability to be separated from its parent structure, and to be wound down or resolved in an orderly fashion. The IDI's plan would include a gap analysis that would identify impediments to the orderly stand-alone resolution of the IDI, and identify reasonable steps that are or will be taken to eliminate or mitigate such impediments. The contingent resolution plan, gap analysis, and mitigation efforts are intended to enable the FDIC to develop a reasonable strategy, plan or options for the orderly resolution of the institution. The proposal would apply only to IDls with greater than $10 billion in total assets that are owned or controlled by parent companies with more than $100 billion in total assets.

Alternatives to the Use of Credit Ratings in the Risk-Based Capital Guidelines of the Federal Banking Agencies: The Dodd-Frank Wall Street Reform and Consumer Protection Act (the Act), enacted on July 21, 2010, requires Federal agencies to review their regulations that (1) require an assessment of the credit-worthiness of a security or money market instrument and (2) contain references to or requirements regarding credit ratings. In addition, the agencies are required to remove such requirements that refer to or rely upon credit ratings, and to substitute in their place uniform standards of credit-worthiness. The Advanced Notice of Proposed Rulemaking seeks comment on alternative standards of credit-worthiness that may be used for risk-based capital requirements.

Federal Deposit Insurance Corporation.

Valerie J. Best,

Assistant Executive Secretary.

Federal Deposit Insurance Corporation—Long-Term Actions

Sequence Number	Title	Regulation Identifier Number
603	12 CFR 325 Alternatives to the Use of Credit Ratings in the Risk-Based Capital Guidelines of the Federal Banking Agencies	3064–AD62

Federal Deposit Insurance Corporation (FDIC) — Long-Term Actions

603. • ALTERNATIVES TO THE USE OF CREDIT RATINGS IN THE RISK–BASED CAPITAL GUIDELINES OF THE FEDERAL BANKING AGENCIES

Legal Authority: Dodd–Frank Wall Street Reform and Consumer Protection Act

Abstract: The Dodd-Frank Wall Street Reform and Consumer Protection Act (the Act), enacted on July 21, 2010, requires Federal agencies to review their regulations that (1) require an assessment of the credit-worthiness of a security or money market instrument and (2) contain references to or requirements regarding credit ratings. In addition, the agencies are required to remove such requirements that refer to or rely upon credit ratings, and to substitute in their place uniform standards of credit-worthiness. The ANPRM seeks comment on alternative standards of credit-worthiness that may be used for risk-based capital requirements.

Timetable:

Action	Date	FR Cite
ANPRM	08/25/10	75 FR 52283
ANPRM Comment Period End	10/25/10	
Next Action Undetermined		

Regulatory Flexibility Analysis Required: Yes

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RIN: 3064–AD62

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